What Scope Health Insurance?

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HEALTH INSURANCE PLAN OF GREATER NEW YORK (HIP) has 14 years' experience in providing what we consider a broad scope of medical care for insured men, women and children in a predominantly urban area. The number currently served is 637,000.

"Broad scope" and "comprehensive coverage" are vague terms and require definition by each person using them. In HIP where medical care is provided by 31 medical groups, the insured persons prepay and are entitled to any needed medical care, carried out at home, in a physician's office or in a general hospital, by the following types of physicians in each medical group: family physicians, internists, pediatricians, obstetricians-gynecologists, general surgeons, orthopedists, ophthalmologists, otolaryngologists, radiologists, urologists, dermatologists, allergists, neurologists and pathologists. Although each medical group has a psychiatrist, we provide only diagnostic and consultation services by these specialists.

In addition to these services provided by each medical group, the groups collectively allocate 96 cents per enrollee per year to a Special Services Fund. This fund pays the full cost for unlimited visiting nurse service, ambulance service and diagnosis and treatment by a wide variety of special consultants serving all medical groups. These special consultants are in fields such as cardiac and thoracic surgery, surgery of the middle ear, scoliosis surgery, reconstructive hand surgery, oral surgery, physical medicine and exchange transfusion. This fund also pays the entire cost of a great many of the more unusual laboratory tests that the average clinical laboratory is not equipped to perform. The cost of cobalt therapy and of second opinion-consultations for serious conditions is also paid for by this fund.

All of these services are provided without any requirement that there be a waiting period between joining the plan and receiving services for pre-existing conditions or pregnancy, without any charge above the premiums paid for any income group, except for an optional fee of $2.00 for home calls late at night. All immunization agents are provided without charge and injectable drugs given in the office or at home are provided at cost.

Presented at the California Medical Association Annual Conference of County Society Officers, February 17, 1962.
Submitted March 26, 1962.

The average number of services provided by the physicians each year per insured person is currently 4.7. A service is defined as a face-to-face meeting of doctor and patient (except for radiology, where the definition is a patient contact with the Radiology Department on a single day). The highest utilization rate is in the first year of life, 13.8 services per year; and the lowest for the ages 15 to 24, 3.6 per year. For enrollees over 70 the rate is 7.6 medical services per year. Eighty per cent of all medical services are provided in the office, 12 per cent in hospitals and 8 per cent in patients' homes. The proportions of medical services provided by the various types of physicians are as follows:

	Per Cent		*Per Cent*
Family physicians and Internists	49.3	Ophthalmologists	3.6
Pediatricians	11.5	Orthopedists	3.4
Obstetricians-gynecologists	7.4	Otolaryngologists	2.6
Radiologists	6.8	Dermatologists	2.6
General surgeons	5.3	Urologists	1.6
Allergists	5.0	Neuro-psychiatrists	0.6
		Other (except Pathologists)	0.3

Laboratory tests for office patients average 2.73 per enrollee per year.

The average premium income currently received per insured person for the above services is approximately $42.60 per year. In 1961 over 90 per cent of the HIP premium income was paid to the medical groups.

Do people wish this scope of service and can they afford to pay the cost of providing it?

I see many officials of organized labor (and most health insurance in New York today is obtained through union negotiations with employers) and practically all of these leaders in recent years wanted to buy at least the coverage provided by HIP. Many have expressed a wish to have dental and drug coverage also.

The union officials in our area are insistent that there be no means tests and that all income levels in the unions have the same premium and the same medical care benefits. They consider it equally important that there be no charges to the patients for any medical care provided under the Plan—that is, the premium must pay all the costs.

Can they afford it? Many unions in New York City with members who are the lowest paid people in the labor field have successfully negotiated with

the employers for both HIP medical care and Blue Cross hospital coverage.

When there are welfare funds or when employees and employers split the cost of medical and hospital coverage, the cost of coverage as extensive as that given by HIP can be managed. However, when families must pay the entire premium for HIP and Blue Cross, as is true under our individual enrollment policies in both urban and rural experiments, it appears from our experience that relatively few of them will purchase coverage of that extent. After six years of effort in a farm area where average family incomes are less than $3,000 a year, only 820 persons in a population of about 50,000 are insured. When HIP offered coverage to persons and families not in groups and they had to pay the full cost of HIP and Blue Cross (the full cost amounting to more than $300 a year at new group rates for a family with one or more children) fewer than 10,000 persons in New York City became insured. The insurance offered was considered attractive, taking in persons with diabetes, epilepsy, asthma, heart disease and most other chronic conditions as well as persons requiring surgical treatment, but apparently was too costly for most family budgets.

Several features in a group practice prepayment plan of the HIP type make the provision of a broad scope of coverage easier and less costly than most indemnity plans:

1. A partnership of 20 to 60 physicians working together in a medical group center with an x-ray department, laboratory, physical therapy department and central record room has the potential for a more efficient and economical service than the same number of physicians with similar equipment in solo practice. For example, the Permanente Medical Group in Southern California has one centralized laboratory for all diagnostic tests—except urine, blood cell counts and hemoglobin determination—for over 300,000 members. One has to see the actual cost data for each type of test and see the experience of such fully automated laboratories to appreciate how efficient and economical this can be, in addition to improving the quality of work.

2. When there are no fees to discuss or collect and no insurance forms to fill out for indemnities, physicians have more time for service to their patients.

3. With a team of physicians in a medical center, they can take over for one another during illnesses, vacations, hours off or emergency periods, so that the medical needs of patients can be served more readily at all times, including emergency services at night or on weekends.

4. Payments for medical care on a capitation basis rather than fee for service avoids financial incentives for unnecessary medical or surgical services. Studies of the hospital admission rates have shown they are 20 per cent lower for members of prepaid group practice plans than for identical populations under fee-for-service plans in New York. Imagine the increased scope of medical care coverage which could be purchased in the United States if the cost of hospital insurance could be decreased 20 per cent!

Other professional services

In a medical care plan such as HIP we find it important to provide services of other professional workers besides physicians. I have already mentioned unlimited visiting nurse services. Most of this service is for chronically ill persons at home.

We have on our central staff five highly skilled "Community Resources Consultants" who serve all our medical groups. These consultants are, of course, social workers with many years of experience in New York City and are thoroughly familiar with all of the more than 2,000 voluntary or public agencies in fields related to health. They know what services these agencies provide, the eligibility requirements, if any, and how referrals should be made for prompt and effective action. The problem for the consultant to deal with may concern such things as convalescent home care, extensive rehabilitation, terminal care for cancer patients at home, admission to a mental institution, care for a mentally retarded child, the need for a brace or hearing aid, etc. Few if any physicians have the knowledge or time to make arrangements for such service. We have found consultation of this type a very valuable part of our program.

We have two full-time nutritionist-dietitians who work with all our medical groups, helping the physicians prepare dietary instruction sheets, discussing dietary problems with separate groups of diabetic, obese or hypertensive patients, and serving in individual consultation for the more difficult diet problems, referred by physicians. This is all for the ambulatory office patients and is not related to in-hospital dietary problems. This service has been found to be not only a time saver for the physicians, but, even more important, a specialist in the field is more aware of the racial, religious and economic problems related to diet instructions and is often more up to the minute in new knowledge in the field of nutrition than the average physician.

Although every physician is a health educator, we have found that a staff of five specialists in the field (the Director has a Ph.D. in health education) has been welcomed by both physicians and patients.

Each medical group has regular meetings of subscribers at which a wide range of topics in the field of health is discussed, the meeting usually being held in public school auditoriums. Subjects such as the Adolescent Girl, Mental Health, Health Problems of Older People, Allergies, Vitamin Quackery, the Doctor and his Equipment, Cancer, etc., are covered. Subscriber committees may help select the topics. The doctors in the medical groups who are best informed on the subjects are the discussion leaders. More intensive health education discussions with small groups of patients with the same illness, such as diabetes, hypertension and obesity, have also been developed.

In addition, regular health bulletins go to all insured families from each medical group. The bulletins carry important health information on a wide range of health and administrative topics and up-to-the-minute important information. For example, when the Salk vaccine came out, every family was urged to get every member immunized promptly and most of the 31 medical groups set aside special hours on evenings and weekends to accommodate them. For a year afterwards, reminders to get Salk vaccinations were published, urging completion of the recommended schedule of injections. Home calls, a medical problem all over the country and particularly serious in the East, has been the subject of a whole series of health education articles in an effort to achieve better understanding on this matter between patients and physicians.

One cannot discuss scope of service without giving serious consideration to the quality of service. A broad scope of inferior quality might cost the same as a narrower scope of high quality. Since HIP is responsible for providing medical care for (not cash benefits to) its 637,000 enrollees, it must be directly concerned with the quality. A medical board, a majority of whose members are leaders from medical schools and teaching hospitals, has for 14 years established professional standards and approved the qualifications of training and experience for each of the 1,000 participating physicians. One of the earliest standards was that maternity care would be provided only by board-qualified specialists in obstetrics and gynecology, and that pediatric care of young children would be provided only by board-qualified pediatricians. All specialists are required to be either board certified or, for the younger assistants in a department, to have completed residency requirements of their board.

The most important member of a medical team, we call the family physician. Our current requirements for family physicians are two years' approved residency in medicine after internship. Each adult in HIP picks his own family physician in the medical group to whom he goes for health examinations as well as for any illness. The family physician is responsible for the medical work-up, diagnosis and treatment of his patients. If the skills of any of the group specialists are needed for consultation or surgical operation, appropriate referrals are made.

Scope of service is not static

One of the most fascinating features of medical care administration is the changing pattern of medical practice resulting from new knowledge in the scientific field. For example, since HIP covered all types of surgical treatment, when operations on the heart became successful in the late 1940's, insured persons were sent to Johns Hopkins and we paid for the services of Dr. Taussig and Dr. Blalock. Now this service is provided for us by several teams of skilled cardiac surgeons in New York City. This is one of dozens of examples of a completely unpredictable increase in the cost of a comprehensive medical care program.

When the Salk vaccine became available, its utilization by HIP members substantially increased total office utilization rates over a period of two years. I presume this utilization will be more than compensated for by the long-range reduction in the number of patients with paralytic poliomyelitis.

We are currently helping in the testing of the new measles vaccine. When it is approved and generally available, within a year or two, we will endeavor promptly to vaccinate all children covered by HIP.

Working with the New York Association for the Blind, we are endeavoring to assure early detection of glaucoma by routine tonometric examination, done at least once a year by specially trained nurses and technicians, of all persons over 40 years of age. No one questions the importance of this service but it is not routine in health examinations by either family physicians or ophthalmologists; and as it is introduced into a medical care program, it takes time and adds to the total cost of medical care.

A more dramatic development is the use, by a team of skilled specialists, of an artificial kidney for certain serious illnesses. It is not needed very often, but when it is needed, it is a life-saving measure. The cost is very high.

The many new scientific developments in medicine each year must be encompassed in a medical care plan such as HIP. Coverage of new advances often increases the total cost of providing service.

Prepaid group practice offers the possibility of the most comprehensive scope of health insurance through its more efficient and economic organization and its control of quality.

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